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MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

New Delhi, the 18th October, 1951

S.R.O. 1593.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government hereby directs that the following further amendments shall be made in the Cotton Control Order, 1950, namely:—

In the said Order:—

1. In clause 2:—

(a) after sub-clause (d) the following sub-clause shall be inserted, namely:—

(dd) 'Cotton season' means the period from the 1st day of September of one calendar year, until and inclusive of, the thirty first day of August in the next calendar year.

(b) for sub-clause (j) the following sub-clause shall be substituted, namely:—

"(j) licensing authority means—

(a) in relation to A class or B class licence, the Textile Commissioner; and

(b) in relation to C class licence, the State Government or any officer authorised by the State Government in this behalf for any specified area.

2. In clause 7—

(a) after sub-clause (1) the following sub-clause shall be inserted, namely:—

"(1A) The Textile Commissioner in the exercise of the powers conferred upon him under sub-clause (1) shall have regard to the following matters, namely:—

(a) in the case of a manufacturer doing business of manufacturing yarn before the 1st September 1947, the consumption by the manufacturer of different descriptions of cotton grown in India and in Pakistan, for the purpose of manufacturing yarn during the Cotton Season 1947-48, or where the manufacture of yarn was for any reason interrupted in that season, during such other cotton season, as the Textile Commissioner may, in the circumstances of the case, deem equitable,

(b) the capacity of the manufacturer to manufacture yarn during the previous cotton season,

(c) the defaults, if any, made by the manufacturer in buying cotton allotted to him during the previous cotton season.

3. After clause 9, the following clauses shall be inserted, namely:—

"9A (1) There shall be the following three classes of licences granted under this Order, namely:—

1. A class licence.

2. B class licence.

3. C-class licence.

(2) Every such licence shall be in the appropriate form.

9B. (1) Subject to the provisions of sub-clause (2), every person who:—

(a) (i) has sold a minimum quantity of 3,000 bales of Indian cotton directly to any manufacturer during any of the cotton seasons 1948-49, 1949-50 and 1950-51; and

(ii) carried on business in cotton in more than one areas specified by the Textile Commissioner in this behalf shall be entitled to an A class licence.

(b) has sold a minimum quantity of 1,500 bales of Indian cotton grown in any of the areas specified under sub-clause (a)(ii) to any manufacturer directly during any of the cotton seasons specified in sub-clause (a) (i)

shall be entitled to a B class licence.

(c) (i) carried on business in cotton in any of the areas specified by the Textile Commissioner in this behalf during any of the cotton seasons 1948-49, 1949-50 and 1950-51, and

(ii) held a valid licence under clause 9 on or after the 1st day of September, 1950

shall be entitled to a C class licence:

Provided that no person shall be entitled to an A class and a C class licence at the same time.

(2) Notwithstanding anything contained in sub-clause (1), a licensing authority may refuse to grant a licence to any person if, for reasons to be recorded in writing, it is of opinion that such person is unfit to hold a licence."

4. For clause 11, the following clause shall be substituted, namely:—

"11. (1) Every licence granted under this Order shall be valid for the area and for the period specified in the licence but may be renewed from time to time for a period of one year.

(2) There shall be charged for the grant or renewal of a licence of the type specified in column 1 of the undermentioned table, the fee specified in column 2 thereof:—

TABLE

1	2
Type of Licence	Amount of fee
A class licence	Rs. 100
B class licence	Rs. 50
C class licence	Rs. 15

Provided that in respect of any one year no person shall be liable to pay more than Rs. 25 for the grant or renewal of any number of C class licences within the same State and the amount, if any, paid by him in excess of Rs. 25 shall, on application made in that behalf, be refunded to him by the State Government."

5. In clause 14—

(a) sub-clause (1) shall be omitted; and

(b) in sub-clause (2) the word "further" shall be omitted.

6. After clause 14, the following clauses shall be inserted, namely:—

"14A. (1) Where the Textile Commissioner has, in exercise of the powers conferred upon him under sub-clause (1) of clause 7 specified the maximum quantity of any description of cotton which a manufacturer may buy, the manufacturer may make an application to the Textile Commissioner for an allotment of such cotton or any portion thereof.

(2) On receiving such an application, the Textile Commissioner may make an allotment to the manufacturer of specified quantities of the required cotton to be acquired from specified licensees at specified prices and within a specified time.

(3) In the exercise of powers conferred upon him by sub-clause (2), the Textile Commissioner shall have regard to the following matters, namely:—

(a) the availability of the required description of cotton for distribution among manufacturers;

- (b) the stocks of cotton in the possession of the applicant; and
- (c) the maximum quantity of the required description of cotton specified under sub-clause (1) of clause 7 in respect of the applicant and other manufacturers.
- (4) Where the Textile Commissioner has made any allotment under sub-clause (2), the manufacturer shall acquire from the specified licensee, and the specified licensee shall, notwithstanding anything contained in the terms of his licence, sell or deliver to the manufacturer, the allotted quantities of cotton at specified price and within the specified time:

Provided that where the manufacturer fails to acquire such cotton or any part thereof from the specified licensee within the specified time, the Textile Commissioner may cancel the order of allotment in respect of any cotton not so acquired.

Explanation.—In this clause and the next succeeding clause, the expression "manufacturer" includes an A class licensee authorised in writing by a manufacturer to purchase cotton on his behalf.

- 14B. (1) The Textile Commissioner may, for the purpose of securing proper distribution of cotton among manufacturers and with the previous sanction of the Central Government, appoint for any specified area a distribution committee consisting of such number of persons as the Textile Commissioner may deem fit.
- (2) Where a distribution committee has been appointed under sub-clause (1) for any area:—
 - (a) no manufacturer shall acquire cotton grown in that area except in pursuance of an allotment made in accordance with the provisions of clause 14A; and
 - (b) the functions of the Textile Commissioner under clause 14A shall be exercisable by the distribution committee in the like manner and subject to the like restrictions."

7. In Form 'A':—

- (a) below the words, figure and brackets, 'see clause (9)', the following shall be inserted, namely:—

"A/B/C class licence."

- (b) at the end of the first paragraph, the words 'in the following area or areas' shall be inserted.

- (c) for clause (5), the following clause shall be substituted, namely:—

"(5) An 'A' class licensee shall not purchase cotton from any person other than a 'B' class licensee and shall not sell, hypothecate or pledge cotton to any person other than a manufacturer. He shall not during the period the licence is in force purchase any *Kapus*.

A 'B' class licensee shall not purchase cotton from any person other than a grower, a cotton ginning factory or a 'C' class licensee and shall not sell cotton to any person other than a manufacturer or an 'A' class licensee.

A 'C' class licensee shall not purchase cotton from any person other than a grower or a cotton ginning factory and shall not sell cotton to any person other than a 'B' class licensee."

- 8. For Form 'B', the following Form shall be substituted, namely:—

"FORM—B.

(See clause 10)

1. Applicant's name.
2. Where the applicant is a Corporation or a Partnership firm, the names of the Directors or the partners, as the case may be.
3. Applicant's full address.
4. Whether the application is for an 'A' class, 'B' class or 'C' class licence.

8. Where the application is for an 'A' or 'B' class licence, state the following particulars:—

Cotton season	Quantity of cotton sold (in bales) directly to manufacturers.	Area or areas in which applicant ordinarily carries on business.
1948-49		
1949-50		
1950-51		

6. The location of the applicant's place of business, godowns and other premises used by him for the sale or storage of cotton (detailed address of these places should be given).

I have carefully read the conditions of the licence given in Form 'A' appended to the Cotton Control Order, 1950, and I agree to abide by them.

SIGNATURE OF THE APPLICANT.

[No. 44(23)CT(A)/51.]

S. K. DATTA, Dy. Secy.